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C O N F I D E N T I A L SECTION 01 OF 03 ROME 003600

SIPDIS

DOT FOR EDDIE CARAZO

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TAGS: [BAIR](#) [ELTN](#) [EWWT](#) [IT](#) [OTRA](#) [OVIP](#) [AVIATION](#)

SUBJECT: SCENESETTER FOR TRANSPORTATION SECRETARY MINETA'S ITALY TRIP

REF: ROME 03441

Classified By: Economic Minister-Counselor Scott Kilner for reasons 1.4 b and d.

Summary

1. (C) Summary. Italy has been a key U.S. ally and steadfast partner. Italy is the third largest contributor of troops to coalition forces in Iraq, the largest contributor to NATO Balkans operations, and commands international security assistance forces (ISAF) and a Provincial Reconstruction Team in Afghanistan. Newfound international leadership has weighed heavily on the Italian public, most of whom are convinced a terror attack will occur here soon. Prime Minister Berlusconi's government has been particularly supportive of our policies; we hope to continue effective coordination with the GOI should a center-left coalition win elections next spring. Technocrat Transport Minister Pietro Lunardi, however, has kept a greater distance from the United States than other Italian Ministers, even though we have maintained excellent and deep transport contacts on the staff- and senior-staff levels. We have made headway with some issues, like coordination on air safety, but we have been waylaid with others, like breaking Megaports free from inter-Ministerial wrangling and having Italy begin a port security program in earnest. Your visit provides an opportunity to strengthen our relationship with the Minister, and help move forward key transportation security issues. Minister Lunardi is delighted you will be able to participate. End summary.

Good, Solid Ministry Contacts, but...

2. (SBU) We have excellent relations with staff- and senior staff-level Transport Ministry contacts, and effective coordination on civil aviation, maritime, rail, and transportation safety and security issues. Our strong relations include dependent agencies, most notably the Italian National Civil Aviation Authority (ENAC). A House Committee on Transportation and Infrastructure delegation was here this year and was well received by the Ministry, but not Lunardi himself.

Cool Lunardi Relationship: Let's Warm it Up.

3. (C) Over the past several months, Lunardi's lack of accessibility has contrasted markedly with that of the rest of his Ministry. Lunardi's staff appeared to use "scheduling issues" to duck an Ambassadorial farewell call on Lunardi earlier this year. The Minister has also declined numerous invitations to Embassy events since 2002. Valued contacts report the Minister was miffed because 1) you were unable to attend last year's EU Ministers, Road Safety Conference, also in Verona; and 2) the USG kept the Linate case open, even after Alitalia addressed the codesharing issue. We are satisfied we have salvaged bruised relations over Linate, and believe now is a good time to re-engage Minister Lunardi, who is delighted you can attend this year's event. (Newly-arrived Ambassador Spogli's first meeting with Lunardi is scheduled for November 10, a week after your visit.)

Lunardi: Technocrat Minister to Charm

4. (U) Infrastructure and Transport Minister Pietro Lunardi is a rare technocrat in a government whose Ministers are mostly career politicians. He is a civil engineer with first-hand experience managing large public works projects, including dams, tunnels, and underground metro stations, both in Italy and abroad. In 1979, he founded his own engineering firm, Rocksoil S.P.A., recognized for innovative tunneling and underground construction. Minister Lunardi is currently president of the Italian Tunnel Society and the &Fourth Dimension Project, a professional association advocating greater use of underground space. Lunardi's first exposure to government work came in the late 1980s as a technical consultant on critical infrastructure protection, underground defense, civil protection, and emergency public works projects. He subsequently sat on many commissions, including

the one formed after the tragic 1999 Mont Blanc tunnel fire. He was appointed Infrastructure and Transport Minister in 2001, and reconfirmed in April 2005. He speaks very little English.

15. (U) Most recently, Lunardi bucked the emerging EU consensus for establishing an aviation &black list.8 He publicly and vehemently opposed black list proposals from his European colleagues, as one-off and emotional measures that would not improve aviation safety. Instead, Lunardi introduced an aviation safety plan to: (1) adopt and implement common EU aviation codes for carrier and aircraft inspections; (2) impose sanctions on non-compliant airlines; (3) ban airliners from EU airspace for infractions occurring in any one EU Member State; (4) coordinate an EU &white list8 of approved air carriers; and (5) EU certify, upon request, companies not operational in EU skies. The Ambassador hosted top-level civil aviation contacts September 27 to discuss these aviation safety topics with FAA experts, including ENAC President Riggio. It would be appropriate to thank the Minister for his leadership on aviation safety.

Transportation Security: Critical Areas For Mission Italy

16. (C) The Embassy's top transportation priorities with Italy concern transportation infrastructure security, on which we have had varied success. Italy worked constructively with us to resolve initial disagreements over the transmission of passenger-name record data. The GOI also complied with TSA's Emergency Amendment &No Fly8 procedures only after costly infractions by Alitalia resulted in an ad-hoc solution. Then-Secretary of Energy Spencer Abraham proposed the Megaports radiation detection program to the Prime Minister's Office eighteen months ago, but the issue is still stalled, due to inter-ministerial turf battles and MFA concern about EU competence. The Prime Minister's Office has so far failed to pick a lead technical Ministry to direct negotiations on a Megaports MOU. There is a possibility the MOT could take the lead on this, and it would be appropriate for you to ask whether Lunardi could push to have a lead agency identified with whom we could work on Megaports.

17. (SBU) Again, on port security, we have engaged with MOT contacts on ISPS implementation and U.S. Coast Guard visits (although the latter has not materialized because of EU Commission insistence that the Commission, and not Member States, have competency). While we have found interlocutors generally receptive, we have not seen much inter-ministerial and inter-agency coordination. The Ministry of Interior (MOI) claims it will assume additional responsibilities for port security, but it is unclear how the MOI will coordinate with port authorities and terminal operators, both of whom fall under the supervision of the MOT.

The Messina Bridge and Other Italian Interests

18. (SBU) We believe Lunardi's chief interests during your meeting will be (a) the Messina Bridge project and (b) the Linate complaint. Lunardi may also raise the aviation safety &black list8 issue, which has figured widely in the local press (see para 5); you may also want to ask Lunardi's thoughts on coordinating with the FAA on current aviation safety issues.

(a) Messina Bridge. The bridge to link mainland Italy to the island of Sicily has taken another step forward. A 3.88 billion euro contract was awarded October 12 to a consortium led by Italian construction giant Impreglio and including Japanese and Spanish firms. Construction is to start next year; and if completed on schedule in 2012, the almost-four km Messina bridge would become the longest suspension bridge in the world. No U.S. companies bid this contract; however, U.S.-based Parsons Transportation Group is competing against two Italian-French consortia for the Project Management Consulting tender. Parsons has requested Foreign Commercial Service assistance in coordinating Embassy support for its bid. We hope there may be additional contracting or sub-contracting opportunities for U.S. firms to participate in this project. That said, it is unclear how the GOI will come up with the 40 percent of its part of the project finance.

(b) Linate Complaint. The American-United Airlines complaint perplexed our MOT contacts, who asked why the complaint remained open after Alitalia stopped listing codeshare flights from Milan's conveniently-located, and small, Linate airport to U.S. destinations. Our local contacts never missed an opportunity to express their puzzlement that we refused to close a case they viewed as solved. We think this issue is in the past, but the matter could come up in conversation.

19. Iraq Reconstruction. Conceivably, Minister Lunardi could also raised Italy's effort to develop a national

transportation plan for rebuilding Iraq's transportation infrastructure, as part of Italy's 2003 reconstruction pledge to Iraq. The idea was to create opportunities for Italian contractors, but security conditions have stalled this initiative.

SPOGLI